

per vehicle purchased than nonminorities. Predatory auto lending is taking an estimated \$2 billion dollars a year out of African American communities alone.

#### PREDATORY LENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

Ms. LEE. Mr. Speaker, first let me just thank the gentleman from Maryland (Mr. CUMMINGS) for organizing these 5-minute speeches tonight, and for his leadership in fighting for home ownership and opportunity and against predatory lending practices.

As my colleague Congresswoman JONES just said very eloquently, it is a real shame and disgrace that we once again have to take to the floor to raise the issue of predatory and deceptive lending practices.

As many of us can attest, which you are hearing tonight once again, these practices are out of control and on the rise, and they are leaving many, many people out in the cold and in foreclosure.

The statistics regarding the current subprime lending debacle are staggering. It is estimated that bad loans have forced 1.5 million homeowners into foreclosure this year alone, according to ACORN. In 2006, the number of foreclosures stood at 2.6 million, topping the prior year total of 900,000 people. The problem is only getting worse.

The subprime industry's practice of higher rates, teaser rates, higher fees, prepayment penalties, payday loans, check cashing facilities and other unfavorable and hidden costs combine to create conditions that push homeowners into hopelessness. We must remember that foreclosures not only devastate individuals and families, but they also depress communities and decrease property values.

This does not have to be the case for many subprime customers. The assumption that subprime loans are for people who cannot qualify for a prime loan at a good rate is false. Fannie Mae, and this is really unbelievable, Fannie Mae and Freddie Mac have assessed that one-third to one-half of subprime borrowers could have qualified for better loan rates but were not given that option. They just weren't given that option. The education and the information were simply not provided to these customers, and I wonder why.

Regulators haven't done enough to protect consumers against predatory lending. Because of the Bush administration's lack of regulatory rigor and oversight of the subprime mortgage industry and their tendency to pander to the business industry at the expense of hardworking middle- and low-income Americans, we are in the mess we are in today.

Sadly, many of the victims of predatory lending are the elderly, single parents, and people of color. In fact, com-

munities of color continue to be the target of predatory lenders. I call them loan sharks. They are all over my community, and these unscrupulous financial service schemes prey on the dream of home ownership and the prospect for generational wealth building.

Within the last year, investigations of real estate agents were designated by HUD for testing, they uncovered an 87 percent rate of racial steering and a 20 percent denial rate for African Americans and Latinos.

A Federal Reserve study showed that African American and Latino borrowers are more likely to receive higher cost subprime loans than their white counterparts. However, the likelihood of receiving a higher cost loan to buy a house than a white borrower for African Americans is 3.7 times more likely and for Latinos, 2.3 times more likely.

So we must put an end to this type of lending discrimination and predatory practice. Enough is enough.

Sometimes people ask me what is institutional racism. They do not quite get it. Well, let me tell you, this is a very glaring and unfortunate clear example of institutional racism, and so we must support all of the efforts by Congressman CUMMINGS and other efforts by Congressman MEL WATT, BRAD MILLER, BARNEY FRANK, members of the Financial Services Committee to put forth legislation that provides a floor, not a ceiling, for a policy such as this. We have got to face reality. That means we must take a look at these, and I just call them exotic loans, and they are exotic, and adjustable rate mortgages that soon become unaffordable, as Congresswoman TUBBS JONES said, after a couple of years.

To entice borrowers to take on risks that they may not be aware of is just plain setting them up to fail, and this is just wrong. It is a shame. It is a disgrace.

We need to provide relief, first of all, to victims of these loan sharks and protect the national economy from the consequences of a mortgage industry crisis which I believe is looming. We must act immediately to protect a generation of homeowners. They are counting on us. They deserve an opportunity to achieve the American Dream of homeownership which is quickly turning into a nightmare for many.

For the majority of Americans, like for myself, purchasing a home is the only way, I mean the only way, you can build any type of equity to be able to just send your kids to college or to buy a house or to do some of the things that you want to do, start a small business. So we have got to clamp down and we have got to clamp down hard on these loan sharks.

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. JOHNSON) is recognized for 5 minutes.

(Mr. JOHNSON of Georgia addressed the House. His remarks will appear

hereafter in the Extensions of Remarks.)

#### TRIBUTE TO THE LATE RALPH FORD, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, first of all, I would like to associate myself with the remarks of my former colleagues who have talked about foreclosures and predatory lending.

As a matter of fact, I also want to thank the committee that I established a few weeks ago, made up of about 50 people, including State Representative LuShawn Ford, who has agreed to chair. I come from the community that pretty much led the movement for community reinvestment in this country under the leadership of a woman named Gail Cincotta who was the head of the Organization for a Better Austin, and then Gail came to Washington and went ahead and founded the National Training and Action Committee which still exists to this day.

So I simply want to associate with those comments made by my colleagues.

But, Mr. Speaker, I really also rise with a great level of sadness to pay tribute to a good son, a good husband, a good father, a good citizen and one of Chicago's finest of the men and women in blue, Police Sergeant Ralph Ford, Jr.

It has been my pleasure and that of my wife to know the Ford family for many years. I first knew Ralph's mother, Mrs. Jacqueline Ford, when she was a pioneer community activist serving on the board of the Martin Luther King, Jr. neighborhood health center. She and my wife Vera have attended Carey Tercentenary AME Church together, and I say forever.

I first knew Ralph well when he was a young Chicago police officer. I had begun to run for public office. He was a diligent and enthusiastic volunteer who was not afraid to be associated with our campaign, even though I was running as what we call an Independent against the existing political machine.

The fact that Ralph had attended the University of Arkansas at Pine Bluff added another star to his crown because I had attended the same school when it had another name, Arkansas AM&N College, before it attained university status.

Being the excellent police officer that he was, Ralph made sergeant and outdistanced many of his peers. He was jovial, a great talker, had a great personality and a wonderful sense of humor.

Family meant everything to Ralph. He was totally devoted to his wife and children, and he had a great affinity for other members of his family, and of course, he and his mother Jackie had an absolute long-standing love affair.